

## SECURITY AGREEMENT- PLEDGE OF PAYMENTS

**THIS SECURITY AGREEMENT – PLEDGE OF PAYMENTS** (“Agreement”) is hereby entered into by and between **THE VILLAGES OF LAKE-SUMTER, INC.**, a Florida corporation, whose address is 1020 Lake Sumter Landing, The Villages, Florida 32162 (“The Villages”), and **VILLAGE CENTER COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government created pursuant to Chapter 190, Florida Statutes, whose address is 3201 Wedgewood Lane, The Villages, Florida 32162 (the “District”).

### RECITALS

A. The Villages is the owner of the real property more particularly described in the attached ***Exhibit “A”*** (the “Property”), incorporated herein, *in haec verba*, and has constructed a fire station upon said Property (the “Station”).

B. Pursuant to Chapter 190, Florida Statutes, the District has the authority to acquire fire stations and provide fire prevention and control services within District’s boundaries.

C. Pursuant to that certain Interlocal Governmental Agreement for Fire Prevention, Protection, Emergency Medical, and Emergency Management Services between the Board of County Commissioners of Sumter County, Florida (the “County”) and the District dated September 27, 2011 (the “Interlocal Agreement”), the District has the further authority and obligation to provide such fire prevention and control services within that area described in the Interlocal Agreement.

D. In furtherance of this authority and obligation, The Villages and the District have entered into a Contract for Purchase and Sale dated September 29, 2011 (the “Contract”), attached hereto as ***Exhibit “B”*** and incorporated herein, *in haec verba*, whereby the District has agreed to purchase from The Villages, and The Villages has agreed to sell to the District, the Property, Station, furniture, fixtures and equipment located upon the Property.

E. The Purchase Price, as more particularly defined in the Contract, is to be paid from the District to The Villages in four (4) installments, as follows (the “Purchase Payments”):

<u>Amount</u>	<u>Date of Payment to The Villages</u>
\$1,000,000.00	On or before September 30, 2011
\$1,000,000.00	On or before September 30, 2012
\$1,000,000.00	On or before September 30, 2013
\$806,864.00	On or before September 30, 2014

F. Pursuant to the authority granted in The Villages Fire Rescue Impact Fee

Ordinance adopted October 11, 2005 (Ordinance No. 2005 - \_\_\_\_\_) (the "Ordinance"), the County has agreed to reimburse the District for all such Purchase Payments from County-collected fire impact fees (the "Reimbursement Payments").

G. At this time, the District wishes to pledge, assign, and deliver all right, title and interest in the Reimbursement Payments to The Villages, and the County wishes to join in this Agreement to acknowledge this pledge, and to further acknowledge that the Reimbursement Payments were validly authorized and approved, and that the County agrees to take no action to limit, reduce, or otherwise withhold any portion of the Reimbursement Payments.

**NOW THEREFORE**, in consideration of the mutual covenants and promises herein contained, The Villages and the District hereby agree:

1. **Recitals.** The recitals set forth above are true and correct and are incorporated herein by reference.

2. **Effective Date.** This Agreement shall be made effective on the date it becomes fully executed by The Villages and the District, and acknowledged by the County (the "Effective Date").

3. **Creation of Security Interest.** Pursuant to the Contract, the District has agreed to pay The Villages the Purchase Payments for the purchase of the Property, Station, furniture, fixtures and equipment located upon the Property. The District represents to The Villages that the District is entitled to receive the Reimbursement Payments from the County in the same amounts, and at the same times as when the Purchase Payments are due to The Villages. Therefore, in order to secure The Villages' rights to the Purchase Payments, the District hereby pledges, assigns, delivers, and grants to The Villages a security interest in the Reimbursement Payments. .

4. **Assignment.** This Agreement is for the benefit of The Villages, its successors and assigns.

5. **Acknowledgment.** The County shall execute this Agreement, acknowledging and affirming the validity of the Reimbursement Payments contemplated by this Agreement, as well as the stated purpose of the Amended Interlocal Governmental Agreement for Fire Protection Services and the The Villages Fire Rescue Impact Fee Ordinance, and further acknowledging the District's ability to assign, pledge, deliver and grant a security interest in the Reimbursement Payments in favor of The Villages.

6. **Representations and Warranties with Respect to Reimbursement Payments.** The District represents and warrants to The Villages that:

A. Ownership. The District is lawfully entitled to the Reimbursement Payments.

B. Right to Pledge. The District has the full right, power and authority to enter into this Agreement and to pledge its rights to, and grant The Villages a security interest in and to the Reimbursement Payments, subject to the acknowledgment and consent of the Board of County Commissioners of Sumter County, Florida.

C. Authority; Binding Effect. This Agreement is binding upon the District, its successors and assigns, and is legally enforceable in accordance with its terms. The foregoing representations and warranties, and all other representations and warranties contained in this Agreement are, and shall be, continuing in nature and shall remain in full force and effect until such time as The Villages has timely received all Purchase Payments.

D. No Assignment. The District has not, and shall not, sell, assign, transfer, encumber or otherwise dispose of any of the District's rights in and to the Reimbursement Payments, except as stated herein.

E. No Defaults. There are no offsets or counterclaims to the District's rights to the Reimbursement Payments.

F. No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing the District or to which the District is a party.

7, **Counterparts.** This Agreement, and the County and District Acknowledgment and Consent below, may be executed in two or more counterpart copies with the same effect as if the signature to each counterpart copy were on a single instrument. Each counterpart shall be deemed an original as to any party whose signature it bears and all such counterparts together shall constitute one document. Facsimile copies shall be deemed originals.

**IN WITNESS WHEREOF,** The Villages and the District have duly executed this Agreement on the date and year noted by their respective signatures below.

**WITNESSES:**

\_\_\_\_\_  
Print name \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

**THE VILLAGES OF LAKE-SUMTER, INC.,**

a Florida corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTEST:**

**VILLAGE CENTER COMMUNITY  
DEVELOPMENT DISTRICT,**  
a local unit of special purpose government

\_\_\_\_\_  
Janet Y. Tutt, District Manager

\_\_\_\_\_  
Stephen Drake, Chairman

Date: \_\_\_\_\_

**COUNTY AND DISTRICT ACKNOWLEDGMENT AND CONSENT**

The County hereby acknowledges, consents, and affirms that: (a) the Reimbursement Payments have been validly created, approved, and authorized in accordance with and pursuant to Ordinance, and shall be paid to District in the same amounts and at the same times as the Purchase Payments set forth hereinabove; (b) the County will take no action to reduce, limit, change the timing of, or otherwise modify the Reimbursement Payments; (c) the District has effectively assigned and pledged to The Villages all of its rights in and to the Reimbursement Payments; and (d) the County shall make all such Reimbursement Payments directly to District; provided, however, in the event that the District (i) ever fails to maintain the Property as a fire station serving that area described in the Interlocal Agreement for Fire Prevention, Protection, Emergency Medical, and Emergency Management Services between The Board of County Commissioners of Sumter County, Florida, and The Village Center Community Development District, dated September 27, 2011, or (ii) should ever cease to exist or operate as a local unit of special purpose government, or otherwise become dissolved, insolvent, or inactive, then the County shall make all such remaining Reimbursement Payments that are unpaid at the time of such event, directly to The Villages.

In consideration of County making the remaining Reimbursement Payments in contemplation of the events detailed in (i) or (ii) above, District agrees to immediately execute any and all documentation, including, but not necessarily limited to a deed similar to a County Deed in Section 125.411, Florida Statutes, or a Quit Claim Deed, necessary to transfer and convey all of its right, title, and interest in the property to County, and District shall immediately surrender all rights of title, use or entry to the Property to County.

**ATTEST: Gloria Hayward**

**Clerk of Court, Sumter County**

**BOARD OF COUNTY  
COMMISSIONERS  
SUMTER COUNTY, FLORIDA**

\_\_\_\_\_  
Deputy Clerk

\_\_\_\_\_  
Don Burgess, Chairman

Date: \_\_\_\_\_

Approved as to Form  
for the reliance of County only.

\_\_\_\_\_  
George G. Angeliadis  
County Attorney

**ATTEST:**

**VILLAGE CENTER COMMUNITY  
DEVELOPMENT DISTRICT,**  
a local unit of special purpose government

\_\_\_\_\_  
Janet Y. Tutt, District Manager

\_\_\_\_\_  
Stephen Drake, Chairman

Date: \_\_\_\_\_